

Message Text

CONFIDENTIAL

PAGE 01 STATE 118926
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DRAFTED BY NEA/INS:DKUX:RFOBER,JR:SEB
APPROVED BY D:MR. CHRISTOPHER
ERDA - MR. BENGLES DORF
ACDA - MR. VAN DOREN
OES - MR. NOSENZO
T - MR. NYE
L/OES - MR. BETTAUER
NEA - MR. DUBS
NSC - MR. HORN BLOW
S/S - MR. GOLDSMITH

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O 232244Z MAY 77 ZFF4
FM SECSTATE WASHDC
TO AMEMBASSY NEW DELHI IMMEDIATE

C O N F I D E N T I A L STATE 118926

NODIS
FOR THE AMBASSADOR

E.O. 11652: GDS

TAGS: TECH IN

SUBJECT: INDIAN NUCLEAR SUPPLY:TARAPUR

1. WHEN YOU SEE THE PRIME MINISTER, YOU SHOULD TELL HIM
THAT THE PRESIDENT HAS ASKED YOU TO RAISE THE NUCLEAR ISSUE
WITH HIM. YOU SHOULD ALSO TELL THE PRIME MINISTER THAT THE
PRESIDENT DESIRES BETTER RELATIONS AND WISHES TO AVOID MIS-
UNDERSTANDINGS OVER THE VITAL BUT TECHNICALLY COMPLEX
MATTER.

2. IN YOUR PRESENTATION, YOU SHOULD BEGIN BY TOUCHING UPON
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THE POINTS YOU DISCUSSED WITH THE PRESIDENT:

A) UNDER THE TERMS OF THE AGREEMENT FOR THE COOPERATION
BETWEEN INDIA AND THE U.S., INDIA IS COMMITTED TO APPLY
IAEA SAFEGUARDS FOR ALL FUEL WHICH HAS BEEN OR MAY BE
SUPPLIED BY THE U.S. FOR THE TARAPUR REACTORS. WE ARE
CONFIDENT THAT THE NEW GOVERNMENT IS AWARE OF THESE OBLIGA-

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B) IT IS OUR UNDERSTANDING THAT INDIA WILL NOT USE MATERIAL SUPPLIED BY THE U.S. FOR TARAPUR IN A NUCLEAR DEVICE. (THIS IS THE EFFECT OF THE SEPTEMBER 1974 EXCHANGE OF LETTERS BETWEEN US FOLLOWING THE INDIAN NUCLEAR EXPLOSION.) WE ASK FOR REASSURANCE THAT THIS COMMITMENT WILL BE HONORED.

3. ASSUMING THAT DESAI IS PREPARED TO OFFER REASSURANCE ON THESE POINTS, YOU SHOULD INFORM THE PRIME MINISTER THAT SUBJECT TO A WILLINGNESS ON THE PART OF HIS GOVERNMENT TO ENTER INTO NEGOTIATIONS WITH US AT AN EARLY DATE ON TARAPUR AND NON-PROLIFERATION ISSUES, THE EXECUTIVE BRANCH IS PREPARED TO RECOMMEND APPROVAL BY THE NUCLEAR REGULATORY COMMISSION OF THE PENDING LICENSE APPLICATION COVERING A SHIPMENT OF LOW-ENRICHED FUEL FOR TARAPUR.

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A. THE U.S. IS EAGER TO ASSIST INDIA IN THE FIELD OF ENERGY FOR US TO DO SO IN THE NUCLEAR AREA, HOWEVER, WE WILL HAVE TO ACHIEVE BETTER UNDERSTANDING ABOUT OUR RESPECTIVE APPROACHES TO NUCLEAR ISSUES AND SOME DEGREE OF COOPERATION IN ADVANCING NON-PROLIFERATION OBJECTIVES.

B. NEGOTIATIONS IN THE U.S. VIEW SHOULD DEAL WITH (1) CERTAIN LARGELY TECHNICAL PROBLEMS AND (2) BROADER PROBLEMS
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FM SECSTATE WASHDC

TO WHITE HOUSE IMMEDIATE

C O N F I D E N T I A L STATE 118926

NODIS

FOLLOWING REPEAT STATE 118926 SENT ACTION NEW DELHI 23 MAY.

QUOTE: C O N F I D E N T I A L STATE 118926

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APPROVED BY NEA: MR. NEWMAN
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FM SECSTATE WASHDC
TO AMCONSUL BOMBAY IMMEDIATE

C O N F I D E N T I A L STATE 118926

NODIS

E.O. 11652: GDS

TAGS: TECH, IN

SUBJECT: INDIAN NUCLEAR SUPPLY: TARAPUR

1. FOLLOWING IS STATE 118926 DATED MAY 23, 1977, REPEATED FOR YOUR INFORMATION.

2. QUOTE: WHEN YOU SEE THE PRIME MINISTER, YOU SHOULD TELL HIM THAT THE PRESIDENT HAS ASKED YOU TO RAISE THE NUCLEAR ISSUE WITH HIM. YOU SHOULD ALSO TELL THE PRIME MINISTER THAT THE PRESIDENT DESIRES BETTER RELATIONS AND WISHES TO AVOID MISUNDERSTANDINGS OVER THE VITAL BUT TECHNICALLY COMPLEX MATTER.

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FM SECSTATE WASHDC

TO WHITE HOUSE IMMEDIATE

C O N F I D E N T I A L STATE 118926

NODIS
FOR BRZEZINSKI ONLY

FOLLOWING SECSTATE 118926 SENT ACTION BOMBAY JULY 28, 1977
REPEATED TO YOU QUOTE

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(A) UNDER THE TERMS OF THE AGREEMENT FOR THE COOPERATION
BETWEEN INDIA AND THE U.S., INDIA IS COMMITTED TO APPLY
IAEA SAFEGUARDS FOR ALL FUEL WHICH HAS BEEN OR MAY BE
SUPPLIED BY THE U.S. FOR THE TARAPUR REACTORS. WE ARE
CONFIDENT THAT THE NEW GOVERNMENT IS AWARE OF THESE OBLIGA-
TIONS AND WILL HONOR THEM.

(B) IT IS OUR UNDERSTANDING THAT INDIA WILL NOT USE MATE-
RIAL SUPPLIED BY THE U.S. FOR TARAPUR IN A NUCLEAR DEVICE.
(THIS IS THE EFFECT OF THE SEPTEMBER 1974 EXCHANGE OF LETTERS
BETWEEN US FOLLOWING THE INDIAN NUCLEAR EXPLOSION.) WE ASK
FOR REASSURANCE THAT THIS COMMITMENT WILL BE HONORED.

3. ASSUMING THAT DESAI IS PREPARED TO OFFER REASSURANCE
ON THESE POINTS, YOU SHOULD INFORM THE PRIME MINISTER THAT
SUBJECT TO A WILLINGNESS ON THE PART OF HIS GOVERNMENT TO
ENTER INTO NEGOTIATIONS WITH US AT AN EARLY DATE ON
TARAPUR AND NON-PROLIFERATION ISSUES, THE EXECUTIVE BRANCH

IS PREPARED TO RECOMMEND APPROVAL BY THE NUCLEAR REGULATORY COMMISSION OF THE PENDING LICENSE APPLICATION COVERING A SHIPMENT OF LOW-ENRICHED FUEL FOR TARAPUR.

YOU SHOULD THEN MAKE THE FOLLOWING GENERAL POINTS TO DESAI, ON THE PRESIDENT'S BEHALF, CONCERNING THE NEGOTIATIONS WE ENVISAGE:

(A) THE U.S. IS EAGER TO ASSIST INDIA IN THE FIELD OF ENERGY FOR US TO DO SO IN THE NUCLEAR AREA, HOWEVER, WE WILL HAVE TO ACHIEVE BETTER UNDERSTANDING ABOUT OUR RESPECTIVE APPROACHES TO NUCLEAR ISSUES AND SOME DEGREE OF COOPERATION IN ADVANCING NON-PROLIFERATION OBJECTIVES.
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(B). NEGOTIATIONS IN THE U.S. VIEW SHOULD DEAL WITH (1) CERTAIN LARGELY TECHNICAL PROBLEMS AND (2) BROADER PROBLEMS ARISING FROM THE NEW U.S. NUCLEAR EXPORT POLICY AND THE FURTHERANCE OF OUR NON-PROLIFERATION OBJECTIVES. THE QUESTION OF FUTURE SUPPLY FOR TARAPUR WILL DEPEND ON THE DEGREE TO WHICH WE CAN SATISFACTORILY WORK OUT SOLUTIONS TO THESE PROBLEMS. AGREEMENT ON HOW BEST TO STRUCTURE THESE NEGOTIATIONS, WHICH WE WOULD HOPE COULD BE CONCLUDED BY THE END OF THE YEAR, COULD BE WORKED OUT WHEN THE FOREIGN SECRETARY MEETS WITH DR. NYE JUNE 2-3.

YOU CAN FURTHER INFORM DESAI THAT YOU WILL BE PROVIDING THE FOREIGN SECRETARY, OR, IN HIS ABSENCE, OTHER APPROPRIATE SENIOR OFFICIAL, DETAILS OF OUR EXPECTATIONS FOR THE PROJECTED NEGOTIATIONS.

YOU SHOULD MAKE CLEAR TO THE FOREIGN SECRETARY IN YOUR FOLLOW-UP MEETING WITH HIM THAT, AS A PRACTICAL MATTER, WE WILL HAVE TO TERMINATE ALL NUCLEAR COOPERATION, INCLUDING FURTHER SUPPLY TO TARAPUR, IF INDIA EXPLODES ANOTHER DEVICE.

YOU SHOULD TELL THE FOREIGN SECRETARY THAT WE WISH TO DISCUSS THE FOLLOWING LARGELY TECHNICAL PROBLEMS:
--FIRM ARRANGEMENTS FOR THE DISPOSITION OF THE SPENT FUEL DISCHARGED FROM THE TARAPUR REACTORS. A USG WORKING GROUP IS ALREADY EXAMINING HOW WE MIGHT PROCEED AND WILL HAVE RECOMMENDATIONS BY SEPTEMBER 1.
--ARRANGEMENTS FOR EXPANDED STORAGE CAPACITY AT TARAPUR. DETAILS ARE NOW BEING WORKED OUT WITH GENERAL ELECTRIC TO PROVIDE TECHNICAL ADVICE AT USG EXPENSE ON HOW ADDITIONAL STORAGE CAPACITY CAN BE DEVELOPED.

--CONFIRMATION BY INDIA THAT SAFEGUARDS ON TARAPUR AND U.S. RIGHTS OVER THE SPENT FUEL WILL CONTINUE IF THE BILATERAL AGREEMENT IS TERMINATED.

--SATISFACTORY RESOLUTION OF HEAVY WATER QUESTIONS (CIRUS

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AND RAPP). THE IAEA IS IN THE PROCESS OF NEGOTIATING A SAFEGUARDS AGREEMENT WITH THE GOI TO COVER SOVIET HEAVY WATER SHIPMENTS FOR RAPP. WE CONSIDER IT IMPORTANT--INDEED, ESSENTIAL FOR OUR SUPPORT OF THE AGREEMENT IN THE IAEA BOARD OF GOVERNORS--THAT THIS SAFEGUARDS AGREEMENT COVER BOTH RAPP I AND RAPP II. (FYI: A SUBSTANTIAL QUANTITY OF U.S. ORIGIN HEAVY WATER CONTINUES IN RAPP I, AND WE ARE CONCERNED THAT SAFEGUARDS MIGHT LAPSE.)

YOU SHOULD TELL THE FOREIGN SECRETARY THAT WE WOULD INTEND TO RAISE THE FOLLOWING BROADER PROBLEMS:

--FUTURE NUCLEAR TESTING--OUR HOPE IS THAT INDIA WILL CONCLUDE, POSSIBLY ON THE BASIS OF JOINT STUDIES, THAT FUTURE "PEACEFUL" NUCLEAR TESTS ARE NO LONGER NEEDED AND WILL BE PREPARED TO JOIN WITH THE UNITED STATES AND OTHERS IN COMPREHENSIVE TEST BAN ARRANGEMENTS COVERING ALL NUCLEAR EXPLOSIONS.

--EXTENDING SAFEGUARDS--WE WOULD LIKE TO DISCUSS THE QUESTION OF BROADENING IAEA SAFEGUARD COVERAGE TO ENCOMPASS ALL INDIAN NUCLEAR FACILITIES. AS THE INDIANS KNOW, UNDER PRESIDENT CARTER'S NUCLEAR POLICY AND LEGISLATIVE PROPOSALS, FULL-SCOPE SAFEGUARDS ARE THE BASIS FOR NEW OR EXPANDED U.S. NUCLEAR COOPERATION ARRANGEMENTS AND A GOAL FOR EXISTING AGREEMENTS AS WELL. THE U.S. RECOGNIZES THAT, IN THE PAST, INDIA HAS BEEN UNWILLING TO ACCEPT SUCH SAFEGUARDS, BUT WE WOULD HOPE THE NEW INDIAN GOVERNMENT COULD ALTER ITS POSITION ON THIS MEASURE. WE HOPE THAT INDIA WILL AGREE THAT THE LARGER GLOBAL IMPERATIVES OF PEACE AND STABILITY WARRANT A VOLUNTARY ACCEPTANCE BY INDIA OF THIS NEARLY UNIVERSALLY ACCEPTED SYSTEM OF INTERNATIONAL SAFEGUARDS. (IF USEFUL, YOU MAY NOTE THAT THE U.S. HAS VOLUNTARILY OFFERED TO PERMIT THE IAEA TO APPLY SAFEGUARDS TO OUR CIVIL NUCLEAR FACILITIES, AND WE

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ARE NOW ACTIVELY NEGOTIATING SAFEGUARD ARRANGEMENTS WITH THE IAEA.)

--NUCLEAR EXPORT POLICY-- WE WOULD ALSO LIKE TO DISCUSS WITH THE NEW INDIAN GOVERNMENT THE POSSIBILITY OF ADOPTION BY INDIA OF POLICIES PARALLELING THOSE OF OTHER MAJOR NUCLEAR SUPPLIERS, INCLUDING COMMON EXPORT GUIDELINES ON SENSITIVE NUCLEAR MATERIAL.

--INFCEP--FINALLY WE WOULD LIKE TO WORK WITH INDIA IN THE PROPOSED INTERNATIONAL NUCLEAR FUEL CYCLE EVALUATION

PROGRAM. IN THIS PROGRAM, STATES WITH IMPORTANT NUCLEAR ENERGY PROGRAMS WILL EXPLORE SAFE AND ECONOMICAL WAYS TO MEET THEIR FUTURE NUCLEAR ENERGY NEEDS. FOR EXAMPLE,

THE EVALUATION WILL EXPLORE POSSIBILITIES OF USING THORIUM AS A FUEL, WHICH SHOULD HAVE PARTICULAR APPEAL TO INDIA AS A MAJOR THORIUM PRODUCER. WE WOULD WELCOME INDIAN PARTICIPATION. VANCE UNQUOTE VANCE UNQUOTE VANCE

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